

SECRET

DEPARTMENT OF STATE
EXECUTIVE SECRETARIAT

May 25, 1954

ARA - Mr. Holland
EUR - Mr. Merchant - *rec'd copy.*

The following is an excerpt from the Secretary's 9:15 staff meeting yesterday:

"Mr. Holland reported on the Guatemala situation. He reported that Honduras and Nicaragua have now asked us to intercept any ships carrying munitions for Guatemala.

"The Secretary seemed concerned with and questioned the talk of intercepting foreign flag ships. He stated that he did not feel that it had been thought through. He requested Mr. Holland to get together with Mr. Merchant on this subject inasmuch as most of the ships concerned would be European. He felt that we should call in the British Ambassador and tell him the situation and we should ask his advice relative to steps to be taken.

"Mr. Holland outlined the three steps again which he had mentioned in the previous meeting. The Secretary made no comment nor approval. However, he did request that a carefully thoughtout note be prepared presenting our position to the government concerned in case we were to stop one of their ships.

"In reply to a question from the Secretary concerning this morning's New York Times story on our actions solidifying Guatemala opinions behind Guatemala Government, Mr. Holland stated that he felt the story was wrong in its emphasis. Ambassador Peurifoy had reported it differently."

W. K. Scott

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